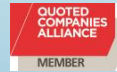


HYBRIDAN

YOUR PARTNER FOR GROWTH

*October -
December 2020*



We are **small cap brokers and advisers**, dedicated to fund raising, promoting investor awareness and providing market-driven corporate finance advice.

We raise capital for companies in the most efficient manner possible and pride ourselves as being one of the few consistently profitable broking firms in the City. This has been achieved through a highly disciplined approach when seeking to create both corporate and institutional relationships.

Coupled with our focus on our corporate clients, the quality of our institutional relationships is of paramount importance to us and is what sets us apart from our peers. These relationships have proven invaluable during the lockdown period and enabled us and our clients to continue to execute transactions.

We communicate the investment cases of our clients to the market through equity research and frequent non-deal investor road shows. We provide market-driven corporate finance advice to our clients to help deliver shareholder value.

Regulated by the
FCA.

Member of the
LSE.



Member of the
CISI.



Expertise in
stocks quoted
and listed on the,
LSE, AIM and
Aquis Exchange.

Began trading in
January 2007.
Held in high
regard by
corporates and
institutions.

Member of the
QCA.



Offering

Corporate
Broking

Equity
Research

Equity Sales

Corporate
Finance

Investor
Access

Private /
unlisted EIS
/VCT
fundraisings

The three R's

Research

We believe that research by a broker who has spent years nurturing the trust of institutions carries significant credibility.

The digestion of an in depth research note is often an investor's first step in the DD process, followed up by regular updates so that news is viewed in a relevant context.

Roadshows

To gain a new holder companies may need multiple meetings, over a period of months or if not years.

We have shown that over time smaller quoted companies can build up significant institutional holdings.

Results

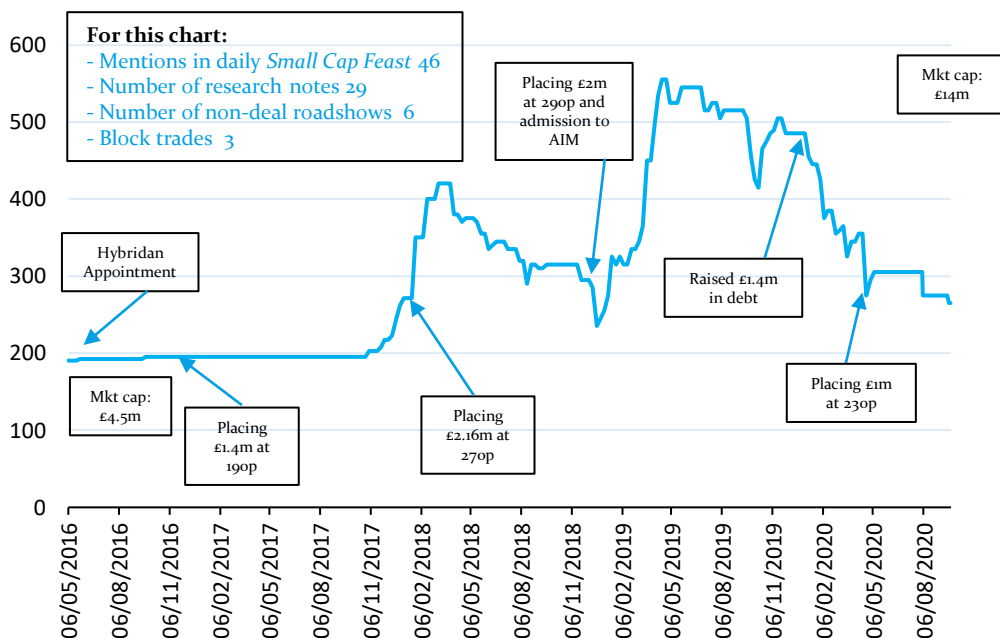
The element most closely within the remit of the company itself. This applies to financials, or milestones in the execution of the business plan as well as non-financial KPIs.

We stress the importance of delivering relevant and material news flow between the bi-annual statutory reporting dates that prevail.

Our work

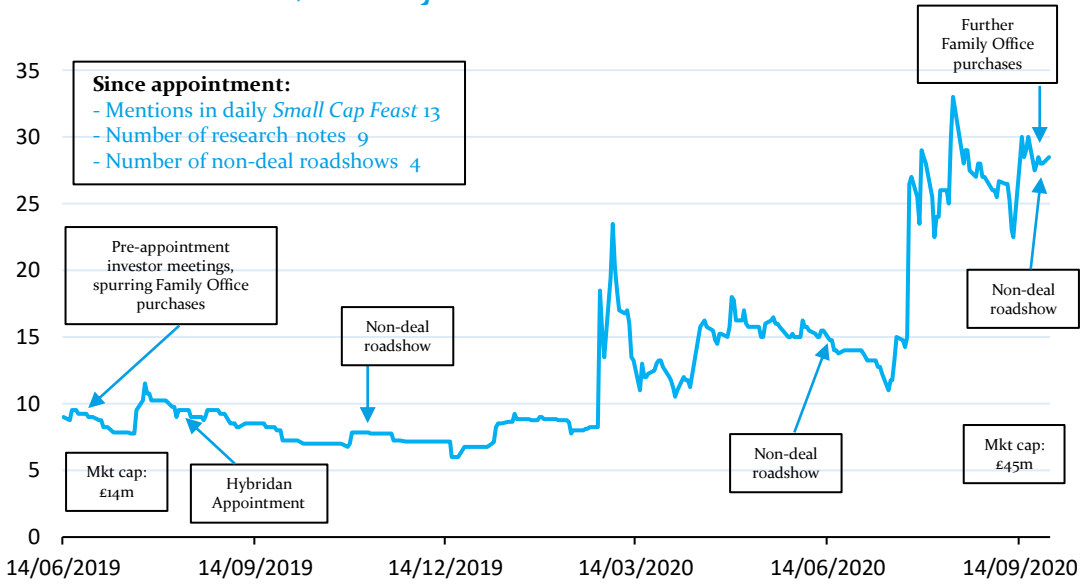
- A level of professionalism in handling investors and research normally found in a large institution, but our expertise is in the small cap arena.
- No NOMAD, no wealth management and no market-making = no conflicts and no hidden profit centres with different agendas.
- Corporate Broking is what we do best: our only interest is in looking after our Corporate customers, which also means looking after our investors.
- Well connected, often presenting at events, CEO is Deputy Chairman on the QCA Board and Chairman of the Small Cap Awards.
- We are constantly monitoring for developments both in our market and clients' markets too, publishing our daily *Small Cap Feast* update which is sent to over a thousand investors and other market participants.
- We are one team of people and are very accessible beyond normal working hours.

Case Study 1: Crossword Cybersecurity (LON:CCS) Transition from NEX (previous name for AQUIS) to AIM



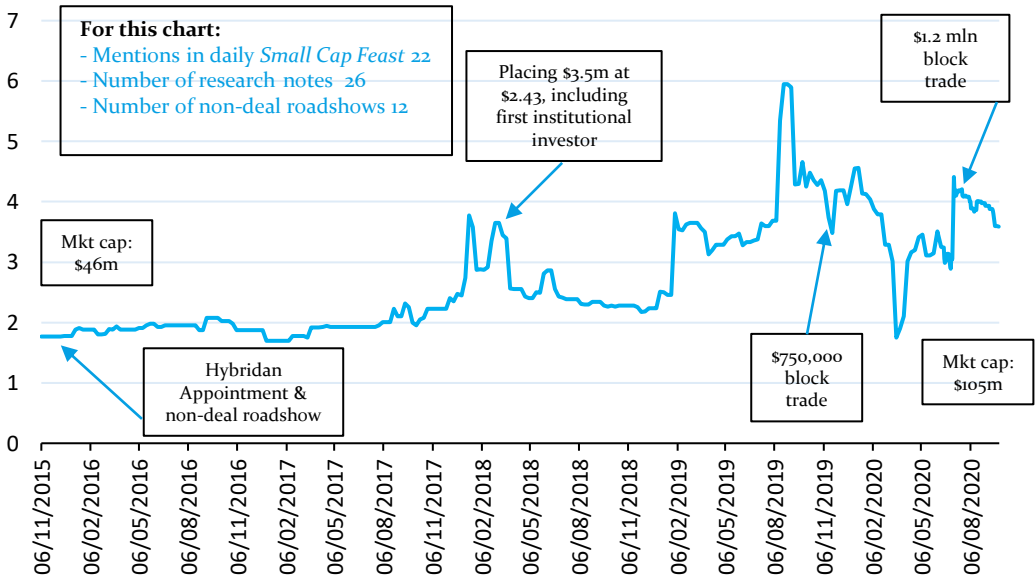
Case Study 2: Symphony Environmental (LON:SYM)

Profile raised, Family Office investors added



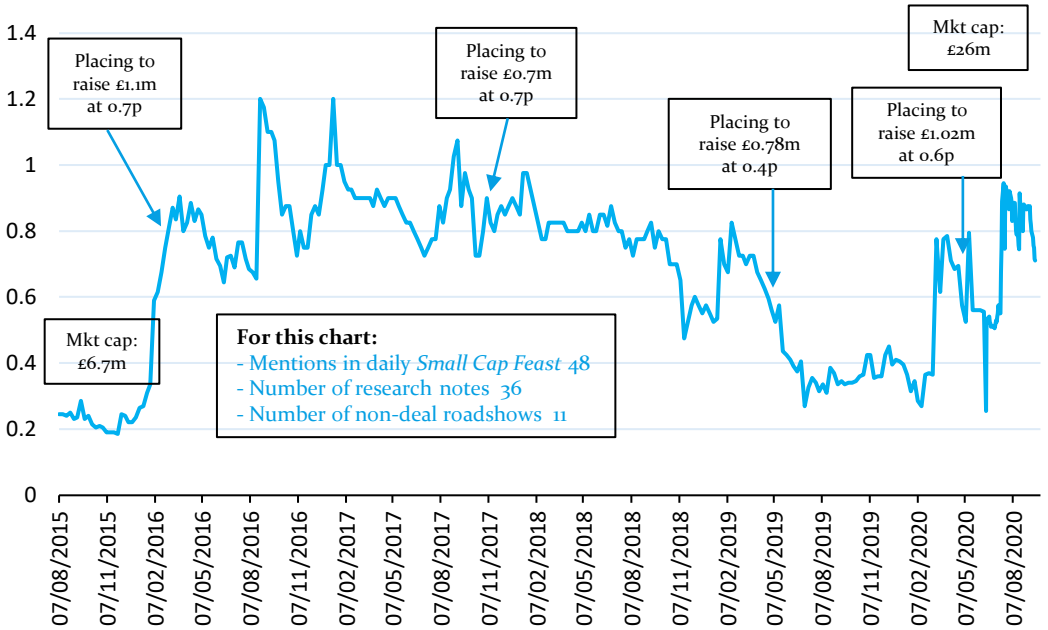
Case Study 3: TMT Investments (LON:TMT)

Introduced first institution and successfully raised profile



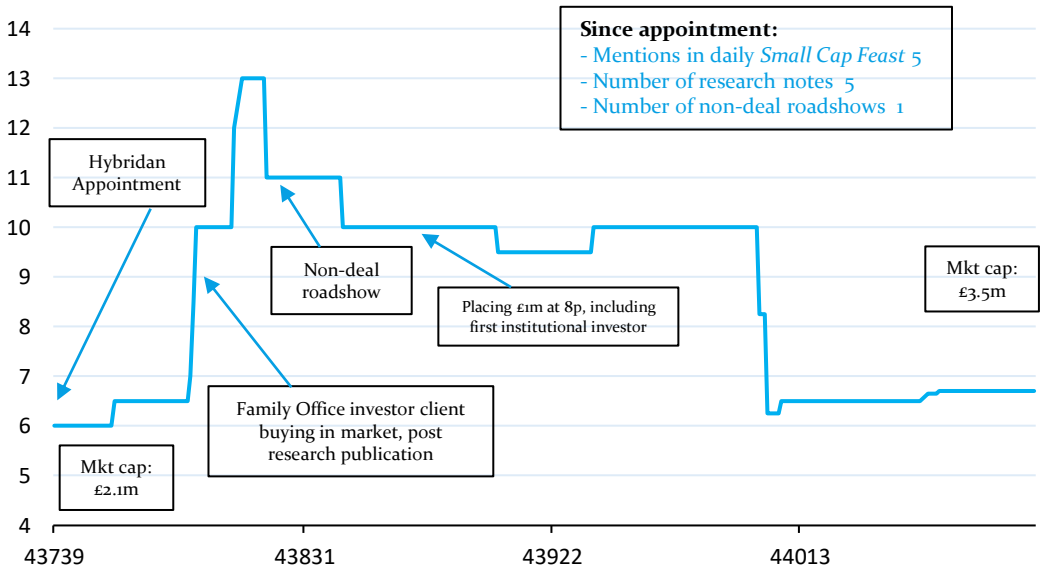
Case Study 4: Sareum Holdings (LON:SAR)

Attracted supportive shareholders over a 10+ year period



Case Study 5: DXS International (DXS.PL)

Encouraged buying in market, put in first institutional shareholders



Current Market Sentiment

- UK small cap sentiment remains buoyant, with the AIM market continuing to outpace the Main market thus far in the second half of the year. In the third quarter of 2020, the AIM market gained 9%, compared to a decline of 5% for the Main market, and for the year to the end of September 2020, the AIM market was flat while the Main market has dropped 22%.
- While a good portion of that performance will be down to gains made by a handful of the AIM market's biggest companies, most notably ASOS, the £5.4 bln online retailer that climbed 50% in the third quarter of 2020, institutional and retail investors have continued to be attracted to the plethora of high-growth companies in all sectors raising capital on AIM.
- In the second and third quarters of 2020, 275 companies raised capital in the face of the coronavirus pandemic, the largest number of fundraisings in a six-month period since at least 2016.
- It was perhaps timely that the AIM market turned 25 years old in June of this year, reminding issuers and investors alike of its ability to allow companies to access capital quickly at the most challenging of times.
- IPO activity, while still far reduced from previous years, has also shown some signs of coming back to life in the second half, with five companies having already listed on AIM since July, compared with three in the entire first half.
- Our daily *Small Cap Feast*, which tracks broad IPO activity in all small cap markets, including AIM, the Standard List and the Aquis Exchange, suggests the same number of IPOs are expected over the rest of the year, if not more.
- New listings with well-known entrepreneurs and backers, such as the Hugh Osmond-founded Various Eateries, which raised £25m on AIM, and the David Beckham-backed Guild eSports, which raised £20m on the Standard List, have helped overall sentiment.
- Retail investors continue to play a vital role in small cap markets, with some 80% of AIM-listed companies having an average trade size of less than £10,000. We advise managements that they ignore this vital source of liquidity at their peril.

Outlook

- The mood music in small caps and equities in general continues to be positive. Momentum in our own deal flow been incredibly strong throughout lockdown, including numerous placings, an RTO on the Aquis Exchange (AQSE), a number of block trades and several forthcoming IPOs in Q4. We are active across all UK markets, that being AIM, Main Market Standard List and AQSE, and have recently become an Aquis Corporate Adviser backing the new strategy of the Aquis team.
- Of course the possibility of future shocks arising from the pandemic, US election and Brexit cannot be discounted, which may lead to a decrease in risk appetite amongst investors.
- For now, however, investors remain open to transactions and meeting management teams in a non-deal capacity. As long as there is a compelling reason for raising capital, such as adding to revenue-generating teams or making accretive acquisitions, or a management team wishes to update investors on their equity story that has perhaps been overlooked and consequently mispriced, investors will be willing to listen.
- While sectors like healthcare and technology have been in focus, companies in all sectors have a good opportunity currently to pitch the investment community, as long as a credible story for future growth is in place.
- Our advice to small cap management teams remains constant:
 - Stay flexible when it comes to pricing new equity issuance, or if the discount needed to raise the required amount is too deep, consider other forms of financing including convertible loans.
 - Continue in the quest to introduce your story to new investors, as it is a worthwhile exercise to ensure it is on the radars of new potential investors, and some may even buy in the market. If cash is king, liquidity is queen – investors need liquidity more than ever and companies will only increase liquidity by being proactive with investors when they do not expressly require new funds.
 - Ensure all possible pools of capital are approached, both professional and retail, in the latter case potentially utilising one of several platforms that specifically exist to service this audience.
 - Make sure any available tax efficient structures such as Enterprise Investment Scheme and Venture Capital Trust eligibility is obtained, given that this is one area of the market that is certainly still investing.

Sareum
Specialists in Structure-based drug discovery



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Investments

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Life Sciences
Think Research

PHYSIOMICS
rational therapeutics

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CAMBRIDGE
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FORTIS

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TEKCAPITAL

summit plc

SAPO PLC

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HOLDINGS PLC

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HEALTH PLC
BETTER SCIENCE, BETTER HEALTH

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bioFLOW

paythru

VR **valiRx**

KleenAir
SYSTEMS

Amur
Minerals

Taylor Vinters*

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BIOTECHNOLOGY

saas
GLOBAL

HOR
MINING PLC

UPSTREAM ASIA
MARKETING+MEDIA

HALOSOURCE

ROCKBRIDGE
PHARMA

GUIDANCE
LIMITED

CHALLENGER

SERABI
MINING

ACE LIBERTY
& **STONE PLC**

milestonegroup plc
DigitalMedia Communications



Zeta Compliance Group plc

filbug
holdingsplc



Oxford
pharmascience

integumen.

pulse
empowering insights

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